



GOVERNOR GRAY DAVIS

July 28, 1999

The Honorable Bruce Babbitt
Secretary, U.S. Department of Interior
1849 C Street, NW
Washington, D.C. 20240

Dear Secretary Babbitt:

Many California water issues are at a critical point, and it is important to establish a dialogue to resolve those issues. A cooperative relationship between the state and federal governments is fundamental to the successful resolution of the myriad water issues we are confronting.

As you know, the accounting for water to be dedicated for environmental purposes under Section 3406(b)(2) of the federal Central Valley Project Improvement Act is before Judge Wanger's court in Fresno. Unfortunately, the Department of Interior has now made claims before Judge Wanger that go well beyond the accounting issue and threaten the rights of the State of California.

For example, Interior's proposed plan does not allow the State to capture the benefits of pumping surplus water from the Delta after Interior releases water upstream for fishery purposes. In addition, the proposed plan is inconsistent with a key provision of the Bay/Delta Accord that the federal government will provide compensation to the State for any additional impacts imposed under the federal Endangered Species Act. I have therefore asked the State Attorney General to file an amicus curiae brief in the U.S. District Court to protect the State's interests in this matter.

It is our sincere desire that the "(b)(2)" accounting issue that is before Judge Wanger be reasonably resolved in a balanced manner that provides certainty for all interests and is consistent with the decision of the court. We intend to work with you during the comment period through the CALFED process and believe that is the appropriate forum in which to raise our issues.



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Five consecutive wet years have enabled California to avoid a major water crisis; however, this may not be the case in a normal or dry water year. Recent factors since the last drought, such as additional listings under the federal Endangered Species Act and the Delta Smelt crisis, magnify the potential for a severe water shortage in future years.

To the greatest extent possible, the CALFED process should be the forum for resolving the many issues confronting the Bay-Delta. CALFED is too important to the future of the state, both in terms of the economy and the environment, to be jeopardized. As we move forward to refine and implement the program, I am committed to personally engage in key policy decisions, and I am looking forward to working with you directly to provide leadership to the process.

I look forward to meeting with you in the near future to seek assurances that the State's concerns regarding the "(b)(2)" issue will be addressed, as well as to discuss how to move forward on resolution of the CALFED program and other water issues facing the State of California.

Sincerely,

A handwritten signature in black ink that reads "Gray Davis". The signature is stylized, with the first name "Gray" written in a cursive-like script and the last name "Davis" in a more formal, slightly slanted script.

GRAY DAVIS

cc: The Honorable Dianne Feinstein, U.S. Senate
The Honorable Barbara Boxer, U.S. Senate